



# Supplemental Stewardship Information

Investment in Non-Federal Physical Property  
Investment in Human Capital

## SUPPLEMENTAL STEWARDSHIP INFORMATION

### Investment in Non-Federal Physical Property

The Department funds the following programs which generate Investments in Non-Federal Physical Property:

**The Public Housing (PH) Capital Fund** provides grants to Public Housing Agencies (PHAs) to improve the physical condition and to upgrade the management and operation of existing public housing.

**Community Development Block Grants (CDBG)** are provided to State and local Communities which in turn use these funds to support a wide variety of community development activities within their jurisdiction. These activities are designed to benefit low and moderate income persons; aid in the prevention of slums and blight; and meet other urgent community development needs. State and local communities are free to use the funds as they deem necessary, as long as the use of these funds meet at least one of these objectives. A portion of the funds were used to acquire or rehabilitate property which is owned by State and local governments.

**HOPE VI** grants are provided to PHAs which enable them to improve the living environment of public housing residents in distressed public housing units. A portion of these funds are used to acquire or rehabilitate property which is owned by the PHAs.

**Disaster Grants** are provided to State and local governments to ameliorate the losses associated with major natural disasters. A portion of these funds can be used to acquire, rehabilitate or demolish physical property.

**The HOME program** provides grants to state and local governments to support the development of affordable housing.

The Investment in Non-Federal Physical Property made during FY 1998 was as follows:

Program	Investment in Non-Federal Physical Property
PH Capital Fund	\$2,209,001,000
CDBG	760,599,000
Hope VI	169,384,000
Disaster Grants	39,100,000
HOME	10,250,000
TOTAL	\$3,188,334,000

## Investment in Human Capital

The Department funds the following programs which generate Investments in Human Capital:

**HOPE VI** grants are provided to public housing agencies that enable them to improve the living environment of public housing residents in distressed public housing units. A portion of these funds are used to provide education and job training to residents of the public housing communities targeted for rehabilitation.

**Community Development Block Grants (CDBG)** are provided to State and local Communities which in turn use these funds to support a wide variety of community development activities within their jurisdiction. These activities are designed to benefit low and moderate income persons; aid in the prevention of slums and blight; and meet other urgent community development needs. State and local communities are free to use the funds as they deem necessary, as long as the use of these funds meet at least one of these objectives. A portion of the funds were used to provide employment and job training to low and moderate income persons in furtherance of these objectives.

**YouthBuild** grants are designed to assist younger individuals develop skills and abilities which should enhance their ability to obtain and retain meaningful employment opportunities.

The Investment in Human Capital made during FY 1998 was as follows:

Program	Investment in Human Capital	Number of People Trained
HOPE VI	\$26,595,000	n/a <sup>1</sup>
CDBG	16,205,000	120,037
YouthBuild	9,100,000	2,264
<b>TOTAL</b>	<b>\$51,870,000</b>	<b>122,301</b>

<sup>1</sup>The Department is in the process of designing a system to collect output and outcome data for this program. The system will begin collecting data in late FY 1999.





## Unaudited Supplemental Information

## Budget Authority Relating to Unexpired Section 8 Contracts

HUD's project-based Section 8 contracts are long-term contracts which expire in various years through fiscal 2030. Some of these contracts will have remaining budget authority upon expiration (which can be recaptured subsequent to expiration), while others will require additional budget authority (contract amendments) to fund them through expiration. It is the Department's policy to recapture any remaining funds relating to these contracts subsequent to contract expiration only (to ensure that there will be sufficient funding throughout the contract term); accordingly, obligations as reflected in the Statement of Budgetary Resources have not been reduced by these amounts.

Budget authority projected to be available upon expiration of all contracts in effect as of September 30, 1998, and projected shortfalls required to fully fund all contracts through their expiration, are as follows:

(Dollars in Billions)	
Project-based Section 8 contracts projected to have remaining budget authority upon expiration	\$ 10.2
Project-based Section 8 contracts projected to need additional funding prior to expiration	(12.1)
Net Amount of Additional Funding Projected to be Required Prior to Contract Expiration	\$ (1.9)

In addition to the above, \$1.3 billion relating to project-based contracts which expired by the end of fiscal 1998 were recaptured during fiscal 1999 (obligations as reflected in the Statement of Budgetary Resources have been reduced by this amount).



# Appendices

Systems Not In Compliance With  
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# SYSTEMS NOT IN COMPLIANCE

## Systems Not in Compliance with Federal Financial Management Systems Requirements

The following 28 HUD Financial Management Systems are not in compliance with federal financial management systems requirements. Six of the 28 noncompliant systems are considered immaterial in their nonconformance to requirements. The Department based immateriality on either the number of transactions processed, the dollar volume of transactions processed, the status of the user documentation, or imminent termination of the system.

HUD reduced the number of noncompliant systems from 98 at the end of fiscal 1992 to 28 at the end of fiscal 1998. HUD's assessment of the 28 nonconforming systems discloses that these systems primarily do not conform with: (1) the agency-wide financial information classification structure requirement, (2) the integrated financial management system requirement, (3) the requirement of the Standard General Ledger at the transaction level, and (4) the functional requirement.

The 28 nonconforming systems are generally comprised of systems implemented before current A-127/ Credit Reform requirements (61 percent were implemented between 1975 - 1989). These systems are scheduled for replacement in 1999 or 2000.

System Number	System Name
A63	Furniture and Equipment Management Information
A76	Funds Accounting and Status Tracking
D17	Project and Resource Management System
ATLAS	Advanced Technology Ledger Accounting System
A16	SF-224 Transaction Reconciliation System
A65	Section 235 Accounting System
A65A	Section 235 Automated Validation and Editing
A77	Flexible Subsidy System
A31	Single Family Premium Collection
A43	Single Family Insurance System
A56	Mortgage Insurance General Accounting
A80G	Multifamily Mortgage Auction System
A80N	Single Family Mortgage Notes Servicing
A80R-U	Single Family Premium Collection System-UPFRONT
A80S	Single Family Acquired Asset Management
D64A	SF Housing Enterprise Data Warehouse
F05	Section 8 Management Information System
F07	Computerized Underwriting Processing System
F31	Cash, Control, Accounting, Reporting System (CCARS)
F45	Multifamily Data Warehouse
F47	Multifamily Insurance
F51	Institution Master File
F52	Multifamily Information Processing System
F75	Multifamily Claims System
F87	Tenant Rental Assistance Certification System
R25	FHA Contract Tracking System
F86	Multifamily Tenant Characteristics
N07	Regional Operating Budget and Obligations



# APPENDICES

## Glossary of Acronyms

Acronym	Definition
AC	Accounting Center
ARC	Appalachian Regional Commission
ARM	Adjustable Rate Mortgage
ASC	Administrative Service Center
BOSS	Budget Outlay Support System
CB	Community Builder
CDBG	Community Development Block Grant
CFO	Chief Financial Officer
CIO	Chief Information Officer
COC	Continuum of Care
CPD	Community Planning and Development
CMHI	Cooperative Management Housing Insurance
CPO	Chief Procurement Officer
DOE	Department of Energy
EC	Enforcement Center
EDI	Economic Development Initiative
ESC	Employee Service Center
EZ	Empowerment Zone
FERA	Front End Risk Analysis
FFB	Federal Financing Bank
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FHA	Federal Housing Administration
FHAMIS	Federal Housing Administration Mortgage Insurance System
FHAP	Fair Housing Assistance Program
FHIP	Fair Housing Initiatives Program
FHEO	Fair Housing and Equal Opportunity
FMC	Financial Management Center
FMFIA	Federal Managers' Financial Integrity Act
FOC	Financial Operations Center
FSI	Financial Systems Integration
GAO	General Accounting Office
GEMS	Grants Evaluation Management System
GI	General Insurance
Ginnie Mae	Government National Mortgage Association
GMC	Grants Management Center
GSA	General Services Administration
HA	Housing Authority
HAP	Housing Assistance Payment
HOC	Home Ownership Center
HOPWA	Housing Opportunities for Persons with AIDS
HUB	Voucher Processing Hub
IBS	Integrated Business System
IDIS	Integrated Disbursement and Information System
IRS	Internal Revenue Service
LMSA	Loan Management Set Asides
LOCCS	Line of Credit and Control System

# GLOSSARY OF ACRONYMS

Acronym	Definition
MBS	Mortgage Backed Security
MF	Multifamily
MMI	Mutual Mortgage Insurance
NN	Neighborhood Network
OIG	Office of Inspector General
OMB	Office of Management and Budget
OMHAR	Office of Multifamily Housing Assistance Restructuring
NOFA	Notice of Funding Availability
PAE	Participating Administrative Entity
PAS	Program Accounting System
PD&R	Policy Development and Research
PH	Public Housing
PHA	Public Housing Authority (or Agency)
PHMAP	Public Housing Management Assessment Program
PIH	Public and Indian Housing
PJ	Participating Jurisdiction
REAC	Real Estate Assessment Center
REMIC	Real Estate Mortgage Investment Conduit
REMS	Real Estate Management System
RESPA	Real Estate Settlement Procedures Act
RHS	Rural Housing Service
SAC	Special Applications Center
SF	Single Family
SRI	Special Risk Insurance
SS	Social Security
SSA	Social Security Administration
SSI	Supplement Security Income
TARC	Troubled Agency Recovery Center
TBRA	Tenant-Based Rental Assistance
TDHE	Tribally Designated Housing Entities
VA	Veterans Affairs
VCA	Voluntary Compliance Agreement